

Accountant

TOWN OF SOUTHBOROUGH, MASSACHUSETTS.

Audit of Town Treasurer and Tax Collector's Accounts,
1909.

AMOS D. ALBEE, SON & CO.
PUBLIC ACCOUNTANTS AND AUDITORS
630 EXCHANGE BUILDING
BOSTON

TELEPHONE
MAIN 2440

ESTABLISHED 1885

CABLE ADDRESS "ALBEE"
WESTERN UNION CODE

PUBLIC ACCOUNTANTS AND AUDITORS

OFFICES

630 EXCHANGE BUILDING
53 STATE STREET, BOSTON, MASS.

AMOS D. ALBEE *C.P.A.*
Fellow { Incorporated Public Accountants of
Massachusetts
American Association of Public Accountants (National)

HERBERT H. ALBEE *C.P.A.*
RICHARD L. HARPER
Firms Associates { Incorporated Public Accountants of
Massachusetts
American Association of Public Accountants (National)

Boston, Mass., May 4, 1910.

Mr. John T. Burnett,
Committee on Auditing of Accounts,
Of Town of Southborough, Mass.

Dear Sir:-

We have examined the accounts of the Town Treasurer, Mr. Waldo B. Fay, and of the Town Tax Collector, Mr. De Clinton Nichols, for the fiscal year ended December 31, 1909, and we beg to submit the following report thereon:-

Accounts of the Town Treasurer:

The accounts of the Town Treasurer are kept in a Cash Book showing the receipts from various sources and disbursements on Selectmen's orders, and for other purposes. No account is kept with the appropriations on the books of the Treasurer.

Receipts: The receipts from the State Treasurer on account of Corporation Tax, National Bank Tax, Street Railway Tax, Income School Fund, High School tuition, Superintendence of schools, compensation inspector of animals, State Aid, and Gypsy and Brown Tail Moth Suppression agree with the statements received from the State Treasurer's office. The receipts from the Tax Collector agree with the books of that official, and the receipts from other sources are properly entered on the Cash Book.

Payments: The payments made on Selectmen's Orders have been compared with the Orders on file, and found to agree therewith. The other payments are supported by proper vouchers.

Bank Account: The entries of deposits and of checks on the Check Book have been compared with the account rendered by the bank, and found to agree therewith, and the balance on hand at close of the fiscal year agrees with the balance shown by the bank, less outstanding checks.

All receipts and payments by the Treasurer are entered on the bank account, and are as set forth in the Thirty-Sixth Annual Report of the Auditor.

Accounts of the Tax Collector:

Taxes of 1909: The entries on the Cash Book, kept by the Tax Collector, of collections made by him, have been compared with the coupons cut from the paid bills, and found to agree therewith, and the amount of taxes levied by the Assessors are balanced by the amounts collected, abatements made and the list of unpaid taxes as set forth in the thirty-sixth annual report.

Brown Tail and Gypsy Moth Tax: The amount committed, according to the annual report was \$ 630.59. The amounts entered on the Collector's book foot \$ 640.59. The amount collected was \$ 542.79, of which \$ 542.29 was paid to the Treasurer, leaving 50¢ in the hands

of the Collector. The amount unpaid, as stated in the annual report was \$ 88.30. The amount unpaid, as shown by the Collector's book, is \$ 97.80, including \$ 10.00 due from M. Roach, the amount of his assessment being \$ 14.25 on which \$ 4.25 was credited as paid. This difference of \$ 10.00 apparently balanced the error in statement of total amount committed.

Taxes of 1908: In the annual report of the Assessors there appears among the taxes abated "Daniel Woodhead \$ 2.00." In the annual report of the Collector the same name and amount appears in the list of uncollected taxes. Examination of the books shows that the tax abated was amount due from J. H. Wakelin for \$ 2.00 which balances the error.

The following amounts of taxes of 1908 were committed to the Collector in 1909: F. O. Percival \$ 2.00, Joseph Henderson \$ 2.00. These amounts were collected Feb. 20, 1909, but were overlooked and not entered by the Collector in his tax list, and have not been paid to the Town Treasurer.

The list of unpaid taxes for 1908 in the previous annual report contained a typographical error of 1 ¢. After allowing for this error, the unpaid taxes on Dec. 31, 1909, are as shown in the annual report.

Taxes of 1907 and 1906: These taxes are properly accounted for as shown in the annual report.

Brown Tail and Gypsy Moth Tax for 1908: This tax is properly accounted for as shown in the annual report.

Brown Tail and Gypsy Moth Tax for 1907: The amount uncollected on December 31, 1909, is shown in the annual report as "Over Assessment \$ 76.18." We recommend that such portion of this amount as is over-assessed be abated, and the Tax Collector be given credit therefor, and the balance due, if any, be collected and the account closed.

Interest on Taxes, or Discount for Prompt Payment: The vote of the town quoted on the title page of the Assessors' report evidently contemplates the prompt payment of Poll taxes. The vote prescribes that all other taxes are to be paid on or before the first Monday in December, and that interest at the rate of 6% per annum shall be added, and that discounts are to be allowed at the same rate on taxes other than Poll taxes, if paid prior to December. Under this vote the Collector has charged no interest on unpaid Poll taxes. It sometimes occurs that tax-payers have not paid the full amount of interest due. Usually the amount lacking is very small, and the Collector claims that the postage and trouble incident to its collection would amount to as much or more than the amount due, and says that he cannot be responsible for such differences.

Suggestions of change in methods in issue and handling of tax bills:

We recommend a change in method of issuing tax bills which is based on experience resulting from the observation of the method in use by the City of Newton since 1898, when it was introduced in that city by us. The following is quoted from the Ordinances of that city:

"The Board of Assessors shall make out and deliver to the City Collector, on or before the first day of September in each year, lists of all taxes assessed, the tax bills and notices of same properly numbered for identification, together with a warrant for the collection of the sums named therein. On or before the first day of every ensuing month they shall deliver lists of all additional or supplementary assessments made during the preceding months, the tax bills and

notices of same likewise numbered, together with warrants for their collection."

"The Board of Assessors shall render to the City Auditor, at the time when they deliver any tax list to the City Collector, a statement of the amount of such tax list, so far as the amounts thereof have not been included in any statement previously made to him. Such statement shall also include the amount of taxes which have been abated during each month, giving the year in which the taxes abated were laid."

"The Board of Assessors shall forthwith forward to the City Collector all certificates of abatements allowed by them."

In accordance with the above rules the notices (see specimen marked A-1) are prepared by the Assessors and mailed to the tax-payer in envelope (Specimen A-2). The address on the notice serves in place of an address written upon the envelope. (The name of the city or town being added with a rubber stamp.) It will be seen that the notice has no coupon and no space provided for receipt, and it should never be used by the Collector for that purpose. The tax bills are also prepared by the Assessors (specimen A-3) and have coupons attached thereto. The bill and coupon are numbered and are retained by the Collector, after delivery to him by the Assessors, until the tax is paid. Upon payment of the tax the bill and its coupon should each be stamped with a suitable stamp showing date of payment. The Coupon should then be cut off and the receipted tax bill delivered to the person paying the tax, and the coupon retained as the basis of entry on the Collector's Cash Book, as is customary under the present system. If payment is made through the mail the receipted bill should be sent to the tax-payer. The bills with coupons in the hands of the Collector, at any time, will equal the unpaid taxes. One great advantage of this method is that it removes the necessity of making duplicate bills for tax-payers who may have lost or mislaid their bills under the old system, or their notices under the new.

Poll Taxes: Specimen B-1 is Poll Tax notice. Specimen B-2 is Poll Tax bill. These are handled in a similar manner.

Specimen C. is a leaf cut from the Tax List Book prepared by the Assessors. The record in this book covers two pages, facing each other, the first column on the left hand page bears the same number which appears on the Tax bill and coupon described above, as A-3, or B-2. the right hand page provides for taxes on Gypsy and Brown Tail Moth work, etc., in addition to other items.

The form of Coupon on A-3 is an improvement over that in use in Southborough, as it gives full particulars in spaces provided for them.

The same system outlined above was adopted by the City of Quincy over a year ago, and we know that its use will be found satisfactory and of benefit in many ways.

Respectfully submitted,

Amos J. Allen for C.

Public Accountants and Auditors,

by *Amos J. Allen*

Certified Public Accountant.

The present practice of publishing the list of unpaid taxes in the annual report is an excellent one and should be continued
A J A